

Dominion Energy Southeast Services, Inc.
Legal Regulatory Department
400 Otarre Parkway, Cayce, SC 29033
Mailing Address:
220 Operation Way, MC C222, Cayce SC 29033
DominionEnergy.com



June 14, 2019

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

RE: Friends of the Earth and Sierra Club Complainant/Petition v.
South Carolina Electric & Gas Company
Docket No. 2017-207-E

Request of the Office of Regulatory Staff for Rate Relief to South
Carolina Electric & Gas Company's Rates Pursuant to S.C. Code
Ann. § 58-27-920
Docket No. 2017-305-E

Joint Application and Petition of South Carolina Electric & Gas
Company and Dominion Energy, Incorporated for Review and
Approval of a Proposed Business Combination between SCANA
Corporation and Dominion Energy, Incorporated, as May Be
Required, and for a Prudency Determination Regarding the
Abandonment of the V.C. Summer Units 2 & 3 Project and
Associated Customer Benefits and Cost Recovery Plans
Docket No. 2017-370-E

(This filing does not involve any change to the retail electric base rates
of Dominion Energy South Carolina, Inc.)

Dear Ms. Boyd:

As the Public Service Commission of South Carolina ("Commission") is aware, Order No. 2018-804 approved, among other things, the merger between Dominion Energy, Inc. ("Dominion Energy") and SCANA Corporation. In furtherance of the merger, Dominion Energy South Carolina, Inc. ("DESC") has entered into a services agreement with Dominion Energy Technical Solutions ("DTECH") whereby DTECH will perform certain enumerated services for DESC as set forth on Exhibit I. DTECH will provide these services upon the request of DESC on as-needed basis. For the

(Continued . . .)

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services that DTECH provides, those services will be charged at cost in accordance with the provisions of Order No. 2018-804 as set forth in the services agreement.

Enclosed for filing only in the above-referenced dockets is a copy of the affiliate services agreement between DESC and DTECH. This agreement complies with all terms of the merger between SCANA and Dominion Energy required in Order No. 2018-804 as well as S.C. Code Ann. § 58-27-2090 (2015).

By copy of this letter, we are providing a copy of this agreement to the parties of record in the above-captioned dockets.

If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms
Enclosure

cc: All parties in Docket No. 2017-207-E
All parties in Docket No. 2017-305-E
All parties in Docket No. 2017-370-E
(all via electronic mail w/enclosure)

DOMINION ENERGY TECHNICAL SOLUTIONS SERVICES AGREEMENT

This Services Agreement (this "Agreement") is entered into as of the 4th day of June, 2019, by and between DOMINION ENERGY SOUTH CAROLINA, INC., a South Carolina corporation (the "Company"), and DOMINION ENERGY TECHNICAL SOLUTIONS, INC., a Virginia corporation ("Service Provider").

WHEREAS, each of the Company and Service Provider is a direct or indirect wholly-owned subsidiary of Dominion Energy, Inc., a Virginia corporation and a "holding company" as defined in the Public Utility Holding Company Act of 2005 that is subject to regulation as such under that Act by the Federal Energy Regulatory Commission ("Dominion");

WHEREAS, the Company believes that it is in the interest of the Company to provide for an arrangement whereby the Company may, from time to time and at the option of the Company, agree to purchase such administrative, management and other agreed-upon enumerated services as set forth in Exhibit I hereto from Service Provider;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

I. SERVICES OFFERED. Exhibit I hereto lists and describes the services that will be available, to the extent selected on Exhibit II, from the Service Provider. Service Provider will provide such requested services using personnel from Service Provider and, if necessary, from nonaffiliated third parties in accordance with Section III herein.

II. INITIAL SERVICES SELECTED. Exhibit II lists the services from Exhibit I that (i) Service Provider hereby offers to supply to the Company as of the date hereof and (ii) the Company hereby agrees to receive from Service Provider as of the date hereof.

III. PERSONNEL. Service Provider will provide services by utilizing the services of such executives, accountants, financial advisers, technical advisers, attorneys, engineers, geologists and other persons as have the necessary qualifications.

If necessary, Service Provider, after consultation with the Company, may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the services supplied under this Agreement.

Use of affiliated company personnel shall be subject to federal and state codes and standards of conduct, as applicable.

IV. COMPENSATION. As and to the extent required by law, Service Provider will provide such services at cost. Service Provider, on its own or through its agent, will regularly conduct market price salary and incentive compensation external surveys to ensure employee compensation is no higher than market. Exhibit III hereof contains rules and methods for determining costs of Service Provider.

V. EFFECTIVE DATE. This Agreement is effective as of January 1, 2019 (the "Effective Date").

VI. TERM. This Agreement shall commence on the Effective Date and shall remain in effect for a period of two (2) years thereafter, unless terminated earlier pursuant to Section VII(C).

VII. TERMINATION AND MODIFICATION.

A. Modification of Services. At any time after the date of this Agreement, either (i) Service Provider may update Exhibit II to modify the list of services it is willing to offer to supply to the Company, or (ii) the Company may update Exhibit II to modify the list of services it wishes to receive from Service Provider; provided that such party seeking to modify Exhibit II provides the other party with written notice of such modification. The requested modification in services shall take effect on the first day of the first calendar month beginning at least thirty (30) days after the written notice was provided. The parties acknowledge and agree that the requested modifications are limited to the list of services reflected in Exhibit II as of the date hereof.

B. Modification of Other Terms and Conditions. No other amendment, change or modification of this Agreement shall be valid, unless made in writing and signed by all parties hereto.

C. Termination of this Agreement. The Company may terminate this Agreement by providing sixty (60) days advance written notice of such termination to Service Provider. Service Provider may terminate this Agreement by providing sixty (60) days advance written notice of such termination to the Company.

This Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval is, by the laws of said state, a legal prerequisite to the execution and delivery or the performance of this Agreement.

VIII. NOTICE. Where written notice is required by this Agreement, said notice shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

a. To the Company:

Dominion Energy South Carolina, Inc.
220 Operation Way
Cayce, South Carolina 29033

With a copy to:

Dominion Energy Services, Inc.
Law Department
120 Tredegar Street
Richmond, VA 23219
Attention: Managing Counsel and State Regulatory Team

b. To Service Provider:

Dominion Energy Technical Solutions, Inc.
701 East Cary Street
Richmond, VA 23219

With a copy to:

Dominion Energy Services, Inc.
Law Department
120 Tredegar Street
Richmond, VA 23219
Attention: Managing Counsel and State Regulatory Team

IX. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of Virginia, without regard to its conflict of laws provisions.

X. ENTIRE AGREEMENT. This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof and thereto, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and cancelled in their entirety and are of no further force and effect.


XI. WAIVER. No waiver by any party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

XII. ASSIGNMENT. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns. No assignment of this Agreement or any party's rights, interests or obligations hereunder may be made without the other party's consent, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that, subject to the requirements of applicable state and federal regulatory law, either party may assign its rights, interests or obligations under this Agreement to an "affiliated interest," without the consent of the other party.

XIII. SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above mentioned.

DOMINION ENERGY SOUTH CAROLINA, INC.

By 
P. Rodney Blevins
President and Chief Executive Officer
Southeast Energy Group

DOMINION ENERGY TECHNICAL SOLUTIONS, INC.

By 
James R. Chapman
Senior Vice President and Treasurer

EXHIBIT I**DESCRIPTION OF SERVICES**

1. Accounting. Provide advice and assistance to the Company in accounting matters (development of accounting practices, procedures and controls, the maintenance of the general ledger and related subsidiary systems, the preparation and analysis of financial reports, and the processing of certain accounts such as accounts payable, accounts receivable, and payroll).

2. Information Technology, Electronic Transmission and Computer Services. Provide the organization and resources for the operation of an information technology function (development, implementation and operation of a centralized data processing facility and the management of a telecommunications network, and the central processing of computerized applications and support of individual applications in the Company). Develop, implement, and process those computerized applications for the Company that can be economically best accomplished on a centralized basis.

3. Software/Hardware Pooling. Accept from the Company ownership of and rights to use, assign, license or sub-license all software owned, acquired or developed by or for the Company which the Company can and does transfer or assign to it and computer system hardware used with software and enhancements to which Service Provider has legal right. Preserve and protect the rights to all such software to the extent reasonable and appropriate under the circumstances; license the Company, on a non-exclusive, no-charge or at-cost basis, to use all software which Service Provider has the right to sell, license or sub-license; and, at the Company's expense, permit the Company to enhance any such software and license others to use all such software and enhancements to the extent that Service Provider shall have the legal right to so permit..

4. Operations. Advise and assist the Company in the following matters relating to business operations and operational capacity: (i) non-nuclear generation – (a) the provision of generation outage, security, engineering, training, benchmarking, environmental emissions data capture, and decommissioning support services; (b) the provision of planning, engineering, and construction operations services to support the Company's station development projects; (ii) transmission – (a) the preparation and coordination of planning studies, consulting, designing, inspecting and engineering, construction and maintenance support services of electric transmission and substation plant facilities of the Company; (b) support services related to relay settings and coordination, relay misoperation analysis, relay repair and maintenance, substation and transmission line equipment specifications, electrical equipment repair and maintenance, and general outage coordination support; and (iii) distribution – the provision of metering, safety, training, weather forecasting, design, engineering, planning studies, substation and distribution control equipment installation, field support and operation support services; the planning, formulation and implementation of load retention, load shaping and conservation and efficiency

programs, and integrated resource planning for supply-side plans and demand-side management programs. The aforementioned services will be provided subject to federal and state codes and standards of conduct, as applicable.

5. Business Services. Perform: (i) general business support services (printing, mailing, records management and maintenance, and administrative and office services across the enterprise), (ii) office facilities operation (building maintenance and property management, lease/sublease management, and property sales services across the enterprise), (iii) security (physical security support, background investigations, and investigative services across the enterprise), (iv) travel (business-related ticketing, itinerary coordination, and reservations for airlines, train, rental cars, and hotels/lodging for Dominion employees), (v) aviation (maintenance, operations, and aviation-related services for corporate-owned aircraft), and (vi) fleet services (fleet systems support, management of the acquisition/disposal function, maintenance functions, and fleet management across the entire enterprise).

6. Corporate Planning. Advise and assist the Company in the study and planning of operations, budgets, economic forecasts, capital expenditures and special projects.

7. Supply Chain. Advise and assist the Company in the procurement of real and personal property, materials, supplies and services, conduct purchase negotiations, prepare procurement agreements and administer programs of material control.

8. Rates and Regulatory. Advise and assist the Company in the analysis of its rate structure in the formulation of rate policies, and in the negotiation of large contracts. Advise and assist the Company in proceedings before regulatory bodies involving the rates and operations of the Company and of other competitors where such rates and operations directly or indirectly affect the Company.

9. Research. Investigate and conduct research into problems relating to production, utilization, testing, manufacture, transmission, storage and distribution of energy. Keep abreast of and evaluate for the Company all research developments and programs of significance affecting the Company and the energy industry, conduct research and development in promising areas and advise and assist in the solution of technical problems arising out of the Company's operations.

10. Customer Services. Provide services and systems dedicated to customer service, billing, remittance, credit, collections, customer relations, call centers, energy conservation support and metering.

11. Energy Marketing. Provide services and systems dedicated to energy marketing and trading of energy commodities, specifically the provision of all services related to emissions products, renewable energy products, environmental commodities (commodities derived from environmental attributes associated with qualifying types of generation that are required for compliance with applicable federal, state and local laws, as well as any voluntary additional reductions that the Company has elected to complete). Provide market, credit

and operational risk management services and development of marketing and sales programs in physical and financial markets.

12. External Affairs. Provide services in support of corporate strategies for managing relationships with federal, state and local governments, agencies and legislative bodies. Formulate and assist with public relations, advertising, and external/internal communications programs and with the administration of corporate contribution and community affairs programs.

13. Fuel Procurement and Environmental Commodities. Provide all services related to the procurement and transportation of all fuel(s) (excluding natural gas, No. 2 and No. 6 fuel oil, miscellaneous fuel and nuclear fuel) and emissions reduction products and physical and financial hedging of such fuel(s) and emissions reduction products. Provide all services to support the marketing and trading of environmental commodities, emissions products, and renewable energy products, and physical and financial hedging of such products. Provide all regulatory support related to fuel and emissions reduction products procurement, emissions and renewable energy products, and environmental commodities.

14. Office Space and Equipment. Leasing of land, buildings, furnishings, general equipment, and transportation equipment.

EXHIBIT II**SERVICES SERVICE PROVIDER AGREES TO PROVIDE TO THE COMPANY AND
THE COMPANY AGREES TO RECEIVE FROM SERVICE PROVIDER**

	SERVICE	Service Provider Agrees to Provide	The Company Agrees to Receive
1.	Accounting	_____	_____
2.	Information Technology, Electronic Transmission and Computer Services	_____	_____
3.	Software/Hardware Pooling	_____	_____
4.	Operations	<u> X </u>	<u> X </u>
5.	Business Services	_____	_____
6.	Corporate Planning	_____	_____
7.	Supply Chain	_____	_____
8.	Rates and Regulatory	_____	_____
9.	Research	_____	_____
10.	Customer Services	_____	_____
11.	Energy Marketing	_____	_____
12.	External Affairs	_____	_____
13.	Fuel Procurement and Environmental Commodities	_____	_____
14.	Office Space and Equipment	_____	_____

EXHIBIT III**RULES AND METHODS FOR DETERMINING COSTS OF SERVICE PROVIDER**

The cost of rendering services shall include: (1) a portion of the salaries and wages of employees of Service Provider determined according to the time devoted by such employees to the performance of services under this Agreement for the Company; provided that, to the extent appropriate and practical, such computations of hourly rates and charges may be determined for groups of employees within reasonable salary ranges; (2) the costs of such employee's benefits, payroll taxes and compensated absences attributable to salaries and wages directly billed, (3) all other out-of-pocket operating costs, including expenses for transportation, tolls and other expenses incurred by Service Provider or its employees in connection with the performance of services under this Agreement, (4) the actual costs of materials and supplies furnished by Service Provider in connection with the performance of services under this Agreement, and (5) administrative and general costs attributable to services performed under this Agreement (which may include reasonable amounts for general office maintenance and depreciation, Dominion Energy Services, Inc. charges, amortization, and related taxes on Service Provider's general plant investment).

When conducting Software/Hardware Pooling services, the methodology for allocating costs shall be based on the number of users or usage of specific computer systems at the end of the preceding year ended December 31st.